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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/21/2007

WILLIAM CAMPBELL, DOB August 31, 1940, Social Security Account Number 194-30-6957, address [REDACTED] work phone number (650) 944-6993, home phone [REDACTED] was interviewed at the office of the Securities and Exchange Commission (SEC) in San Francisco, CA. Also present were Assistant United States Attorney [REDACTED] and SEC attorneys [REDACTED] and [REDACTED] represented CAMPBELL at this interview. After being advised of the identity of the interviewing agent and the nature of the interview, CAMPBELL provided the following information:

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CAMPBELL received bachelor of arts and masters degrees in economics from Columbia University. He coached football at Columbia from 1974 to 1979. In 1979 he became a Vice President (VP) at J. WALTER THOMPSON in New York. He worked as general manager of consumer products at KODAK until 1983, when he became the VP of Marketing at APPLE. He added the title of VP of sales at APPLE in 1984. He was APPLE's executive VP from 1985 to 1987. He then founded CLARIS and was president and chief executive officer (CEO) until 1991. CAMPBELL served as president and CEO of GO CORPORATION from 1991 to 1994 when he went to INTUIT. He was CEO of INTUIT from 1994 until 1998 and then again from September 1999 to January 2000. He has been chairman of the board (COB) for INTUIT since August 1998. He has been COB of the trustees at Columbia since June 2003. He has been on APPLE's BOD since 1997 and is currently on the BOD for OPSWARE. He was previously on the BOD for NETSCAPE. He likes to be on the BOD's audit committee for all companies, except for INTUIT where he is COB.

CAMPBELL is active on the BODs for APPLE, INTUIT and OPSWARE. They all take a significant amount of time and he is equally engaged at each. APPLE actually takes less time because STEVE JOBS is an experienced CEO and does not need much coaching. CAMPBELL and [REDACTED] are APPLE's most active BOD members, probably because they are both in the local area, and are the "co-lead directors." [REDACTED] was on APPLE's BOD as head of the Compensation Committee (CC) prior to [REDACTED] and left in June 2000.

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CAMPBELL discussed the options granting process at APPLE. APPLE had a grid showing compensation. For directors and most employees, the grants were annual and systematic. JOBS believed in episodic mega-grants approximately every four years for members of the executive team. CAMPBELL and [REDACTED] prefer annual cascading grants for executives as well. CAMPBELL discussed the issue with JOBS and tried to make it work.

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CAMPBELL discussed the January 2001 grant to the executive team. In September/October 2000, the economy was hitting a wall. JOBS' idea was to try to get mega-grants. CAMPBELL noted that "we were a little messy administratively." There was a lot going on. APPLE was in tough times and they were trying to get ready for MacWorld. The goal was to get the executive team grant done in January 2001. There was no opposition from the BOD. It was common knowledge that they were going to do the grant. The hard part was getting it all on paper and wrapped up. There was no CC at the time, so it had to be done by the full BOD. CAMPBELL believed that there was a BOD meeting in late 2000 and that they did a grant for [REDACTED] at APPLE. They then decided that they wanted to do one for the rest of the executive team. CAMPBELL recalled advocating for the grants before the holidays. He felt it was the right thing to do, because they had done it for one member, [REDACTED] already.

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CAMPBELL believed the BOD approved of the concept of giving the mega-grants November or December 2000. He thought the terms of the executive team grant were agreed upon prior to MacWorld, but that the grant was actually approved after. The BOD was sensitive about MacWorld. He believed that they had agreed on the grantees and the shares and then the only consideration was MacWorld for timing purposes.

CAMPBELL reviewed the memorandum dated February 1, 2001, and the Unanimous Written Consent (UWC) dated January 17, 2001. (These are located at Tab 6 of the CAMPBELL interview binder which is part of the case file). He was not sure how the date ended up being on January 17, 2001. JOBS came up with the grant sizes, after consulting with others, and the BOD approved them. He was not sure if the BOD agreed to the grant sizes in 2000 or 2001. They discussed it prior to January 17, 2001, but CAMPBELL did not recall if it was in late 2000 or 2001. He thought [REDACTED] grant was a catalyst. In January 2001, CAMPBELL was a strong proponent of the grant but did not recall with whom he spoke about it. He

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probably talked about it in December and January. They signed the UWC on February 2, 2001. It was not unusual to see the UWC come in several weeks after the action occurred. At the time, people did not scrutinize the dates on UWCs, just the substance. CAMPBELL stated that if they took an action in a meeting, they used the date of the meeting. If they took action through a UWC, the date was more ambiguous. He tried to pay attention to dates so that nothing untoward occurred, but it was hard to imagine that your people would intentionally misdated something. When asked if anything occurred on January 17, 2001, CAMPBELL noted that it was a Wednesday after MacWorld and that no BOD meeting, discussion, or phone call happened that day.

CAMPBELL spoke often with [redacted] on the issue of mega-grants. CAMPBELL told [redacted] that the BOD should let APPLE's management do it their way. [redacted] was new to the BOD and this was the first time he was grappling with the mega-grant issue. [redacted] was the last hold out for approving this mega-grant. He wanted to look at other companies' compensation to see where APPLE was in relation to the industry.

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CAMPBELL reviewed an email from [redacted] to JOBS dated February 4, 2001 (Bates 8997 at Tab 7). CAMPBELL often spoke with [redacted] on the issue of mega-grants leading up to this grant. He recalled that [redacted] reluctantly agreed to the mega-grants. CAMPBELL felt that this email could be retrospective - a "postmortem" on the grant to show it passed [redacted] test of reasonableness.

CAMPBELL reviewed a handwritten notes of a BOD meeting, dated October 11, 2000 (Bates 10287 at Tab 1). CAMPBELL recognized the handwriting as that of APPLE's former [redacted]. He recognized it from various meetings where he sat next to her and she would occasionally show him something she had written. These notes reflect the BOD's discussion of performance-based grants for the executive team. The BOD decided against performance-based grants. The BOD decided to discuss grants to the executive team, especially to [redacted] at the next BOD meeting. CAMPBELL believes mega-grants were initially discussed at this meeting.

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CAMPBELL reviewed a UWC, dated October 26, 2000 (Bates 1446 at Tab 3). This occurred prior to the next BOD meeting following the October 11, 2000, meeting. CAMPBELL believes these grants to [redacted] and [redacted] APPLE's [redacted] and [redacted]

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[redacted] were made prior to the next BOD because CAMPBELL and others grumbled to JOBS that APPLE needed to give more retention to these two individuals. CAMPBELL is not sure that is why it happened at this time, but it is the sort of thing that CAMPBELL would do. He does not recall that JOBS was against it at the BOD meeting on October 11, 2000, but if he was enthusiastic about it, it probably would have happened.

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CAMPBELL reviewed the BOD minutes dated November 29, 2000 (Bates 1475 at Tab 5). There was no mention of the mega-grants in this BOD meeting. They were fighting for APPLE's life at this time and not much else was discussed. JOBS called this meeting for the sole purpose of discussing how bad things were. This document did not help CAMPBELL fix the timing of the discussions of the mega-grants to the executive team. CAMPBELL thought that he and [redacted] would have been discussing that issue with JOBS outside the BOD meetings.

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CAMPBELL reviewed [redacted] handwritten notes dated March 6, 2001 (Bates 9012 at Tab 8). CAMPBELL did not recognize the handwriting. He did not talk to [redacted] about the discrepancy between the January 17, 2001, grant date and the February 2, 2001, date of the approval signatures. CAMPBELL did not know that [redacted] had discussed the matter with [redacted] and CAMPBELL did not discuss the issue with [redacted].

CAMPBELL was asked to consider the 7.5 million stock options grant to JOBS, dated October 19, 2001. JOBS had been granted ten million options in January 2000. A stock split increased that to twenty million shares. By mid-2001, those shares were underwater. The BOD tried to give JOBS the 7.5 million stock options grant in August 2001, but he resisted the terms. The process became very tedious. JOBS wanted to get rid of the twenty million underwater shares and wanted two years pre-vesting for the new grant. [redacted] and CAMPBELL all spoke to JOBS on the subject. The BOD felt it would be bad to give two years pre-vesting. They wanted to sign JOBS up long-term and pre-vesting provided less retention value. It was a difficult negotiation with JOBS. He was stubborn and felt the reward he wanted was justified.

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The BOD agreed to the 7.5 million stock options grant to JOBS in August 2001. [redacted] APPLE's [redacted] and [redacted] was not in the room when the BOD reached its agreement. [redacted] was present because she was

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taking minutes. She would have been asked to step out while the BOD discussed sensitive matters regarding JOBS, but would have been present when they agreed on the grant. The BOD granted the 7.5 million options that day, but JOBS would not accept it. He wanted more shares and better vesting. He wanted the 7.5 million options to grow to twenty million over time and for the earlier twenty million shares to go away. He understood that APPLE's stock option plan limited the BOD to granting eight million shares, so he was not pushing for more than 7.5 million shares at that time.

CAMPBELL reviewed an email from himself to [REDACTED] dated September 5, 2001 (Bates 6544 at Tab 10). CAMPBELL was in Europe at the time. CAMPBELL felt that he probably sent this email to [REDACTED] to let him know that the grant to JOBS was not a done deal. [REDACTED] was [REDACTED] stock option grant implementation and [REDACTED] [REDACTED] was not viewed as having the [REDACTED] and [REDACTED] with JOBS. There were lots of calls between the BOD members on this issue. [REDACTED] was aware of the ongoing discussions, but not necessarily the specifics. [REDACTED] was not included in the discussions, but was made aware of what was going on.

CAMPBELL reviewed an email reminder for a CC conference call to take place on October 19, 2001 (Bates 9623 at Tab 13). He did not recall this conference call as it was one of a number of calls. He then reviewed the purported BOD minutes dated October 19, 2001 (Bates 9641 at Tab 15), noting an award to JOBS of 7.5 million stock options. CAMPBELL stated that the BOD did not finalize the grant on this date and that he did not recall there being a BOD meeting on this date. He stated that this is not an accurate document.

CAMPBELL reviewed the meeting book for the November 13, 2001, BOD meeting (Bates 4056 at Tab 16). He recognized the format. He did not keep his copy. He gets these a day or two prior to a BOD meeting and the draft minutes for the previous BOD meeting comes at the same time. The draft minutes, at Bates 4120, reflect an actual CC meeting on October 19, 2001. The contents of the minutes were consistent with CAMPBELL's memory. CAMPBELL reviewed the draft minutes of the BOD meeting on August 29, 2001 (Bates 4223). The language under the 'Executive Session' section was consistent with CAMPBELL's memory. The BOD did agree to grant JOBS 7.5 million stock options at that meeting. CAMPBELL stated

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that it was "bullshit" that the grant language was left out of the final version of the minutes.

CAMPBELL reviewed [redacted] handwritten notes, dated December 13, 2001 (Bates 9743 at Tab 20). These notes refer to a call he had with [redacted] CAMPBELL and APPLE BOD member [redacted] were united on the 7.5 million option grant with one year pre-vesting. They all had the impression that the grant date was still August. CAMPBELL never thought about it afterwards. He did not know that October 19, 2001, was used as the grant date. [redacted] was not engaged in the discussions and he was not sure what she did on the grant other than administration and paperwork.

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CAMPBELL reviewed an email from [redacted] dated December 19, 2001 (Bates 9754 at Tab 21). He recalls this being final and he was glad it was done. He did not notice that the grant date was changed to October 19, 2001. He was not aware that any other BOD member noticed the new date either. It never crossed his mind to question any aspect of the email. Price was never discussed with JOBS or any other BOD member.

CAMPBELL believed he understood stock options accounting implications back in 2001 due to discussions he had with INTUIT attorneys. He never really thought about a one or two-day difference being a concern back then. He did not know if APPLE used the date the UWC was signed or the date the members reached an agreement. [redacted] was a respected lawyer. CAMPBELL did not think to scrutinize documents or question dates proposed by her.

CAMPBELL had the impression that [redacted] understood the accounting rules, but he had no real basis for that impression. He assumed that [redacted] understood the accounting rules based on his position, but he did not have discussions with [redacted] covering the subject. JOBS "is a product guy" who spends time on areas in which he is interested. Accounting is not one of those areas. JOBS had [redacted] for that. [redacted] clearly knows the accounting rules. He is an accounting legend and those who train under him are great.

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CAMPBELL felt it would be awkward for [redacted] to be at the August 2006 BOD meeting. He felt bad for [redacted] did attend the meeting and looked physically bad. [redacted] left when the BOD had a private session that would touch on issues related to the stock option investigation.

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INVESTIGATIVE:

The following investigation was conducted by Investigative Analyst (IA) [redacted] at Phoenix, Arizona:

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On September 6, 1995, U. S. POSTAL INSPECTION SERVICE, Tucson, Arizona, advised that P. O. Box 27027, Tucson, Arizona 85726 is a box which belongs to a large computer software company in Tucson. The applicant was [redacted] The business INTUIT CORP., aka CHIPSOFT, has a physical address of 2650 East Elvira, Tucson, Arizona 85706, telephone (520) 295-3152. This post office box was effective December 7, 1993. Identification given to open the box was Arizona Driver's License 266-39-2614.

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On September 6, 1995, a query of Driver's License records, Arizona Department of Transportation, Motor Vehicle Division, disclosed the following information:

Arizona driver's license number [redacted] issued [redacted] is listed to [redacted] is described as follows:

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Sex	Male
Date of Birth	[redacted]
Height	5' 5"
Weight	170
Hair	Brown
Eyes	Hazel

On September 6, 1995, a query of records, Arizona Department of Public Safety, failed to disclose an Arizona arrest record for [redacted]

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On September 6, 1995, a query of corporate records, Arizona Corporation Commission, failed to disclose any corporation doing business under the name INTUIT-CHIPSOFT CORPORATION.

On September 6, 1995, a query of business license records, Arizona Department of Revenue, Division of Taxation, failed to disclose any company doing business under the name INTUIT-CHIPSOFT CORPORATION.

Business license records, Sales Tax No. 07-465509-J, shows an active business for INTUIT, INC., C/o Accounts Payable MS-247, P. O. Box 3014, 66 Willow Place, Menlo Park, California 94025, business telephone (415) 329-6918, home telephone [redacted]

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Sales Tax No. 07-465509-J also reveals an INTUIT, INC.,
located at 2650 East Elvira, Tucson, Arizona 85706. Officers
are [redacted] SOC [redacted] SOC [redacted]
[redacted] SOC [redacted]; and WILLIAM V. CAMPBELL, SOC
194-30-6957. Arizona Department of Revenue collects taxes for
INTUIT, INC., in 49 cities in the State of Arizona.

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